

Summary: Enterprise Funds

Fund: Enterprise and Enterprise Debt Service

Summary	2004-2005 Actual Expenditures	2005-2006 Original Budget	2005-2006 12 Month Estimate	2006-2007 Department Requested	2006-2007 Commissioner Approved
▽ <i>Expenditures</i>					
Personnel	\$312,639	\$361,367	\$303,593	\$379,355	\$379,355
Operating	\$4,164,313	\$3,809,859	\$4,024,181	\$4,077,570	\$4,077,570
Capital	\$0	\$1,525,000	\$3,082,230	\$550,000	\$550,000
Transfers	\$3,564,861	\$4,307,527	\$3,598,837	\$4,352,683	\$4,352,683
Other	(\$505,262)	\$3,612,373	\$3,612,373	\$3,234,657	\$3,234,657
Total Expenditures	\$7,536,552	\$13,616,126	\$14,621,214	\$12,594,265	\$12,594,265
▽ <i>Revenues</i>					
Licenses & Permits	\$390	\$473	\$455	\$473	\$473
Investment Income	\$268,363	\$381,000	\$32,611	\$2,000	\$2,000
Enterprise Charges	\$4,726,478	\$7,620,000	\$7,400,071	\$7,849,855	\$7,849,855
Sewer Connect. Fees	\$648,343	\$496,880	\$284,422	\$496,880	\$496,880
Other Revenues	\$2,677	\$10,400	\$10,200	\$10,400	\$10,400
Other Fin. Sources	\$3,280,911	\$5,107,373	\$5,175,590	\$4,234,657	\$4,234,657
Total Revenues	\$8,927,162	\$13,616,126	\$12,903,349	\$12,594,265	\$12,594,265
Net Expenditures	(\$1,390,610)	\$0	\$1,717,865	\$0	\$0
FTEs	5.00	6.00	6.00	6.00	6.00

2006-2007 HIGHLIGHTS

- New Sewer Rate of \$2.59 Per CCF, up from \$2.44 Per CCF in FY 2006

UTILITIES

MISSION

The mission of the Durham County Engineering Department is to protect regional water quality through the administration of the sewer use, stormwater and erosion control ordinances, to improve County facilities through the management of capital projects, and to preserve natural and scenic lands, farms and forests.

PROGRAM DESCRIPTION

The Utility Division is responsible for the operation and maintenance of the County's Triangle Wastewater Treatment Plant, the County's Wastewater Collection System, the coordination of new connections (customers), the County's Sewer System revenue collections, and the extension of public sewer lines to serve citizens with failing septic systems and to promote economic development.

The Triangle Wastewater Treatment Plant, collection system and industrial pre-treatment program are operated and maintained under a contract with United Water, effective July 1, 2005 through June 30, 2010.

In addition to ongoing operations, the major initiatives of this division have been the upgrades and expansions of the treatment plant to meet regulatory requirements and to provide adequate capacity for growth in the County's service area. Phase II of these improvements was completed in Fiscal Year 2005-2006, and includes the capacity addition and nitrogen removal to meet new NPDES permit requirements. The third phase of these improvements will provide new sludge handling facilities to produce Class A Biosolids. The design for the Class A Biosolids facilities is under way, and will be completed in Fiscal Year 2006-2007.

The Reused Wastewater Capital Project has received notification of two federal grants through the EPA, with Congressman David Price's support. The Board has approved the Interlocal Agreement with Wake County and the Town of Cary to proceed with the joint project, and staff is developing a design package for Board approval this fiscal year.

The County's treatment of wastewater from the Town of Cary began April 19, 2005. Cary is currently sending approximately 500,000 gallons per day to the County's plant for treatment. The agreement between Durham County and Cary provides treatment of up to 5 million gallons per day.

The City of Durham continues to provide billing and collection services for the County's wastewater customers. City and County staff worked together to update the appropriate responsibilities of each party, and the revenue collection and reimbursements have improved this fiscal year. Staff will continue to monitor the City's performance, and respond as necessary if changes are needed.

The Utility Division Office is located at 120 East Parrish Street, First Floor, Durham, North Carolina. Office hours are Monday - Friday, 8:30 AM - 5:00 PM, Telephone: 919-560-0735; Fax: 919-560-0740.

2005-06 ACCOMPLISHMENTS

- Began treatment with Phase II WWTP Improvements
- Achieved significant nitrogen reduction that met permit requirements
- Continued the design of Class A Biosolids (Phase III) Improvements
- Removed approximately 2,000 dry tons of sludge to create operating volume in the lagoon
- Participated in the Jordan Lake TMDL Stakeholders meetings
- Participated in the Neighborhood College program

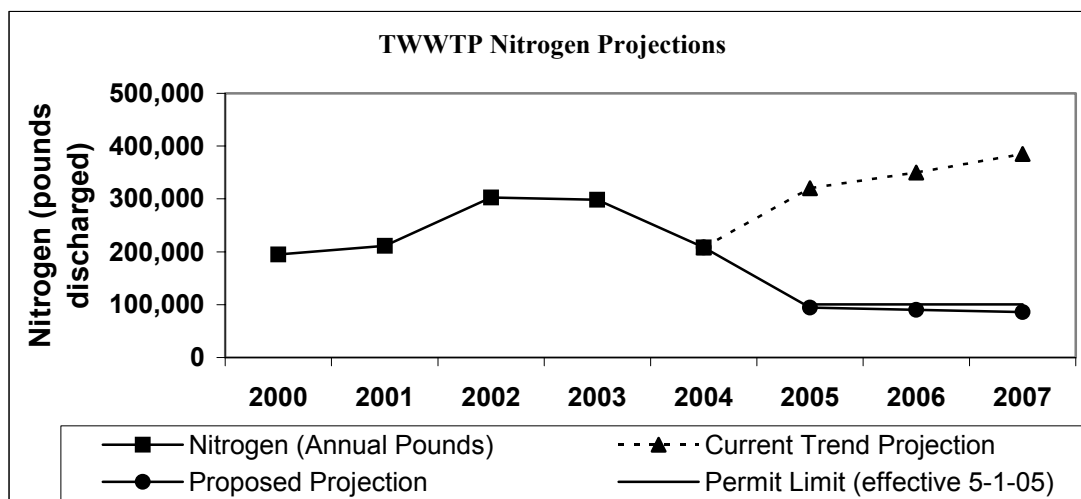
Sewer Utility Fund

Fund: Enterprise

Summary	2004-2005 Actual Expenditures	2005-2006 Original Budget	2005-2006 12 Month Estimate	2006-2007 Department Requested	2006-2007 Commissioner Approved
▽ <i>Expenditures</i>					
Personnel	\$312,639	\$361,367	\$303,593	\$379,355	\$379,355
Operating	\$4,164,313	\$3,809,859	\$4,024,181	\$4,077,570	\$4,077,570
Capital	\$0	\$1,525,000	\$3,082,230	\$550,000	\$550,000
Transfers	\$3,564,861	\$4,307,527	\$3,598,837	\$4,352,683	\$4,352,683
Total Expenditures	\$8,041,814	\$10,003,753	\$11,008,841	\$9,359,608	\$9,359,608
▽ <i>Revenues</i>					
Licenses & Permits	\$390	\$473	\$455	\$473	\$473
Investment Income	\$204,351	\$376,000	\$1,155	\$2,000	\$2,000
Enterprise Charges	\$4,726,478	\$7,620,000	\$7,400,071	\$7,849,855	\$7,849,855
Sewer Connect. Fees	\$648,343	\$496,880	\$284,422	\$496,880	\$496,880
Other Revenues	\$2,677	\$10,400	\$10,200	\$10,400	\$10,400
Other Fin. Sources	\$0	\$1,500,000	\$1,568,217	\$1,000,000	\$1,000,000
Total Revenues	\$5,582,240	\$10,003,753	\$9,264,520	\$9,359,608	\$9,359,608
Net Expenditures	\$2,459,574	\$0	\$1,744,321	\$0	\$0
FTEs	5.00	6.00	6.00	6.00	6.00

2006-07 PERFORMANCE MEASURES

Performance Measure: Triangle Wastewater Treatment Plant (TWWTP) Nitrogen Reduction



Story Behind the Last Two Years of Performance

Existing data has been used for baseline development and is shown on the graph. The upward projection indicates a no action approach and is not appropriate because the NPDES permit limits would not be met and the County would be subject to enforcement actions including civil penalties until the program began meeting the permit limits. The downward projection indicates the desired trend to decrease the amount of the Nitrogen discharge with the start-up of the TWWTP expansion and meet the permit limits beginning in 2005. Compliance with permit requirements beginning in 2005 has been achieved.

Strategies: What do you propose to do to improve program performance?

Continuing development of the CMMS (Computerized Maintenance Management System) is under way to achieve efficiency and extend equipment life appropriately. This development includes the work completed by the Operations Contractor and the management of the work by the Utility Division staff.

ENTERPRISE DEBT SERVICE FUND

PROGRAM DESCRIPTION

This cost center accounts for water and sewer debt issued by the County of Durham. All Enterprise Fund debt is retired from interest earnings on bond proceeds and from revenues earned by the Enterprise Fund. \$24,515,000 in revenue bonds were issued during FY 2002-03 to support phase II of the Waste Water Treatment Plant improvements and expansion. \$8,110,400 in revenue bonds is planned for issuance in FY 2005-06 for phase III of the Wastewater Treatment Plant improvements. Charges for services were changed to insure that the Enterprise fund created enough revenue to support the debt service payments on these bonds.

The following shows bond payments for the Enterprise Debt Service Fund. Note: Information on the separate Debt Service Fund may be found behind the Debt Service Fund tab of this document.

	2004-05 Original Budget	2005-06 Original Budget	2006-07 Commissioner Approved
BOND PRINCIPAL	\$1,778,034	\$1,812,881	\$ 1,853,279
BOND INTEREST	\$1,510,864	\$1,664,992	\$ 1,375,878
OTHER	\$5,063	\$134,500	\$ 5,500
TOTAL	\$3,293,961	\$3,612,373	\$3,234,657

Sewer Utility Debt Service Fund

Fund: Enterprise Debt Service

Summary	2004-2005 Actual Expenditures	2005-2006 Original Budget	2005-2006 12 Month Estimate	2006-2007 Department Requested	2006-2007 Commissioner Approved
▽ <i>Expenditures</i>					
Other	(\$505,262)	\$3,612,373	\$3,612,373	\$3,234,657	\$3,234,657
Total Expenditures	(\$505,262)	\$3,612,373	\$3,612,373	\$3,234,657	\$3,234,657
▽ <i>Revenues</i>					
Investment Income	\$64,011	\$5,000	\$31,456	\$0	\$0
Other Fin. Sources	\$3,280,911	\$3,607,373	\$3,607,373	\$3,234,657	\$3,234,657
Total Revenues	\$3,344,922	\$3,612,373	\$3,638,829	\$3,234,657	\$3,234,657
<i>Net Expenditures</i>	<i>(\$3,850,184)</i>	<i>\$0</i>	<i>(\$26,456)</i>	<i>\$0</i>	<i>\$0</i>
FTEs	0.00	0.00	0.00	0.00	0.00

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